

# **REPORT OF THE COMMITTEE ON BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

## **Voting Members:**

Kymberly Marcos Pine, Chair; Carol Fukunaga, Vice-Chair;  
Heidi Tsuneyoshi, Tommy Waters

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Committee Meeting Held  
May 19, 2020

Honorable Ikaika Anderson  
Council Chair, City Council  
City and County of Honolulu

Mr. Chair:

Your Committee on Business, Economic Development and Tourism which considered Bill 3 (2020) entitled:

**"A BILL FOR AN ORDINANCE RELATING TO THE ESTABLISHMENT OF A  
KEEP HAWAII HAWAII PASS PROGRAM,"**

which passed Second Reading and a Public Hearing held at the February 19, 2020 Council meeting, reports as follows:

The purpose of Bill 3 (2020) is to establish a program that would allow both visitors and residents to purchase passes for discounts and priority access to popular Oahu attractions, with the City's portion of the pass proceeds to be deposited into a special user impact fund that the City may use to offset its costs of maintaining public parks and beaches and to supplement the operating budgets of the Emergency Services Department (Ocean Safety and Lifeguard Services Division in particular) the Honolulu Police Department, the Honolulu Fire Department, and the Department of Parks and Recreation.

The Executive Director of the Mayor's Office of Economic Development, testified that he supported the amended version and looked forward to continued discussion on the program. He also provided an update on the number of applicants for the City's recently launched Small Business Relief program.

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON **JUL 8 2020**

COMMITTEE REPORT NO. **126**

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Your Committee has prepared a CD1 version of the Bill that makes the following amendments:

1. Ensures that kamaaina rates for Hawaii residents will not be affected.
2. Requires that any participating attraction in the program meet applicable health and safety codes, insurance requirements, and permitting requirements to operate as a public attraction.
3. Clarifies that equal opportunity consideration is given to privately owned restaurants, attractions, and activities to participate in the program.
4. Clarifies that no proceeds will be diverted away from the city agencies or participating city attractions that rely on the use of generated revenues to maintain operations.
5. Allows the program a minimum of three years to allow the agency to evaluate its success and determine the base revenues for participating city agencies and attractions, after which any city revenues generated under the program that exceed those base revenues will be deposited into the special impact fund.
6. Changes the effective date to July 1, 2021.
7. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee received one written testimony commenting on the Bill. One written testimony in opposition to the Bill was received from Custom Island Tours, LLC.

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CITY AND COUNTY OF HONOLULU  
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Your Committee on Business, Economic Development and Tourism is in accord with the intent and purpose of Bill 3 (2020), as amended herein, and recommends that it pass Third Reading, in the form attached hereto as Bill 3 (2020), CD1. (Ayes: Fukunaga, Pine, Tsuneyoshi, Waters – 4; Noes: None.)

Respectfully submitted,



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Committee Chair

At the 7/8/20 Council meeting, the Bill was further amended and subsequently passed Third Reading as Bill 3 (2020), CD1, FD1.

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON JUL 8 2020

COMMITTEE REPORT NO. 126



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**A BILL FOR AN ORDINANCE**

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RELATING TO THE ESTABLISHMENT OF A KEEP HAWAII HAWAII PASS PROGRAM.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to establish a program that would allow both visitors and residents to purchase passes for discounts and priority access to popular Oahu attractions, with the City's portion of the pass proceeds to be deposited into a special user impact fund that the City may use to offset its costs of maintaining public parks and beaches, and to supplement the operating budgets of the Emergency Services Department (Ocean Safety and Lifeguard Services Division in particular), the Honolulu Police Department, the Honolulu Fire Department, and the Department of Parks and Recreation.

SECTION 2. Chapter 2, Revised Ordinances of Honolulu 1990 ("The Mayor and Executive Agencies—Additional Powers, Duties and Functions"), is amended by adding a new article to be appropriately designated by the Revisor of Ordinances and to read as follows:

**"Article \_\_\_\_ "Keep Hawaii Hawaii" Pass Program**

**Sec. 2-\_\_\_.1 "Keep Hawaii Hawaii" pass program.**

- (a) For purposes of this article, the term "agency" means the mayor's office of economic development, or such other city department or agency as may be designated by the mayor.
- (b) There is established within the agency a "Keep Hawaii Hawaii" pass program to allow both visitors and residents to purchase discounted and priority access to popular Oahu attractions. The program may be renamed. The discounts may be selected and combined into one pass that could expire after a certain number of days.
- (c) The agency will work with the agencies operating popular city attractions such as the Honolulu Zoo, the municipal golf courses, and Hanauma Bay Nature Preserve, and with the department of transportation services (bus services), to establish a virtual or physical pass, or a series of passes, that could be used to receive discounted and priority entrance for purchasers. The price of a pass or group of passes will be set by the agency by rule. Hawaii resident purchasers would receive passes at a discounted rate determined by the agency. Any existing discounted or kamaaina rates for city facilities or attractions that are reserved for eligible Hawaii resident purchasers for admission to participating



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**A BILL FOR AN ORDINANCE**

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attractions will remain intact and will not be affected by fares established under the program. The passes will be valid notwithstanding any ordinance establishing or amending admission fees or fares.

- (d) The agency may partner with other public and private persons and entities, including those in the airline, cruise ship, restaurant, visitor, and hospitality industries, to increase the types of attractions available to pass holders, and to promote the program; provided that equal opportunity consideration is given to all privately operated restaurants, attractions, and activities to participate in the program. The agency is encouraged to work with the state to include state-owned attractions in the program. The agency may negotiate the terms of such partnership agreements, including compensation for the city's partners. The program will be conducted in compliance with state laws pertaining to procurement.
- (e) Any participating attraction must meet all applicable health and safety codes, insurance requirements, and permitting requirements to operate as a public attraction.
- (f) Notwithstanding any ordinance to the contrary, the proceeds generated for the city by sale of the pass will be deposited into the special user impact fund from which funds may be used to pay for city costs for maintenance of public parks and beaches, and to supplement the operating budgets of the emergency services department, the Honolulu police department, the Honolulu fire department, and the department of parks and recreation; provided that proceeds generated by the sale of passes under the program will not be diverted away from the respective city agencies or attractions that require funds generated from admission fees to maintain operations.
- (g) The program may be promoted on the city's websites and may be promoted on such other media and social media as the agency deems appropriate.
- (h) The agency may establish and promote various activity or event dates in order to heighten public awareness of the program.
- (i) The program will run for a minimum of three years to allow the agency to evaluate its success and determine the base revenues for participating city agencies and attractions, after which any city revenues generated under the program that exceed those base revenues will be deposited into the special impact fund."



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

BILL 3 (2020), CD1

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**A BILL FOR AN ORDINANCE**

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SECTION 3. This ordinance takes effect on July 1, 2021.

INTRODUCED BY:

Kymberly Pine

DATE OF INTRODUCTION:

Jan 22, 2020

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

KIRK CALDWELL, Mayor  
City and County of Honolulu